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FINANCING OF THE UNITED NATIONS PEACEKEEPING FORCES IN THE MIDDLE EAST

United Nations Disengagement Observer Force

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report of the United Nations Disengagement Observer Force (UNDOF) for the period from 1 December 1995 to 30 June 1996 (A/51/405/Add.1) and the proposed budget of UNDOF for the 12-month period from 1 July 1997 to 30 June 1998 (A/51/405/Add.2). The Committee also considered the performance report of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 February to 30 June 1996 (A/51/535/Add.1), and the proposed budget of UNIFIL for the 12-month period from 1 July 1997 to 30 June 1998 (A/51/535/Add.2). During its consideration of those reports, the Committee met with representatives of the Secretary-General and the Chief Administrative Officers of both missions, who provided additional information.

I. UNITED NATIONS DISENGAGEMENT OBSERVER FORCE

2. The United Nations Disengagement Observer Force was established by the Security Council in its resolution 350 (1974) of 31 May 1974 to supervise the ceasefire called for by the Council and the agreement on disengagement between Israeli and Syrian forces for an initial period of six months. Its mandate has since then been extended and adjusted by the Council in subsequent resolutions, the latest being resolution 1081 (1996) of 27 November 1996, by which the Council extended the mandate of the Force until 31 May 1997.

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3. As indicated in paragraph 14 of the Secretary-General's report (A/51/405/Add.2), total resources made available to the Force, from its inception until 31 May 1997, amount to $1,164.9 million gross. Expenditures are estimated at $1,143.4 million gross. Amounts totalling $1,126.5 million have been assessed on Member States in respect of UNDOF and the United Nations Emergency Force (UNEF) from the period of inception to 31 May 1997.

4. Upon inquiry, the Advisory Committee was informed that, as at the end of January 1997, contributions received total $1,066 million, leaving a shortfall of $60.4 million. Cash balances, as at 18 February 1997, amounted to $42.1 million. The Committee was informed that troop-contributing countries had received payment to 31 May 1996, but that an estimated amount of $8.8 million was still due for the period ending on 31 January 1997. The Secretariat added, however, that it intended to bring those payments up to 30 June 1996 by making another payment to troop contributors during March 1997.

Performance report for the period from 1 December 1995 to 30 June 1996

5. The report of the Secretary-General (A/51/405/Add.1) contains information on the financial performance of UNDOF for the period from 1 December 1995 to 30 June 1996. The report also outlines the action to be taken by the General Assembly at its fifty-first session in connection with the financing of UNDOF.

6. The Advisory Committee notes, however, that the format of the performance report is different from others examined during the current session. The Committee is of the opinion that budget documents and performance reports should be standardized, thus providing greater consistency in their presentation, and facilitating the work of the General Assembly in examining them and adopting decisions regarding the financing of peacekeeping operations and missions.

7. Moreover, the quality of the information provided must be addressed by the Secretariat. The explanations or justifications given for over- or under-expenditures in the performance reports of both UNDOF and UNIFIL, as well as others examined during the session, have been deficient. Moreover, although information is sometimes provided, it is not always presented in a complete or consistent manner. This results in unnecessary time spent in trying to obtain additional information and clarification from the Secretariat.

8. Paragraph 5 of the performance report (A/51/405/Add.1) indicates that total resources made available to UNDOF, for the entire period from 1 December 1995 to 30 June 1996, amount to $18,753,000 gross ($18,221,000 net). Expenditures amount to $17,623,700 gross ($17,154,300 net), leaving an unencumbered balance for the reporting period of $1,129,300 gross ($1,066,700 net).

9. In addition to the savings of $1,129,300 gross ($1,066,700 net), annex I to the report indicates unliquidated obligations for the period totalling $8,403,200. Upon inquiry, the Committee was informed that, as at 31 December 1996, these had been reduced to $4,048,900, of which $3.3 million related to military personnel costs. The Committee notes that the financial statements audited by the Board of Auditors for UNDOF for the bienniums ending on 31 December 1993 and 31 December 1995 showed unliquidated obligations amounting to $13,983,000 and $18,947,000, respectively.[1] The bulk of these

relate to military costs. Experience shows that, in most cases, between 10 and 20 per cent of such obligations are never liquidated. The Committee is of the opinion that the methods for determining the obligation of resources need to be refined, so as to avoid retention of excessive funds which may not be required. Moreover, once funds are obligated, periodic monitoring and review should be carried out to confirm the validity of such obligations.

10. Savings under military personnel costs (see A/51/405/Add.1) include an amount of $229,000 under emplacement, rotation and repatriation of troops due to favourable rates obtained for commercial and government-provided aircraft services. With regard to the information contained in annex II, table 1, of that report, the Committee was informed, upon inquiry, that two rotations had been budgeted for one contributor, but that only one had taken place during the reporting period, thus explaining most of the savings involved in this budget item ($216,200).

11. The Committee notes that the provision of $175,000 allocated for death and disability compensation was fully obligated to cover potential claims. In this regard, the Committee was informed that, since inception, 62 casualties have been recorded (35 deaths and 27 injuries). So far, $1,345,655 has been paid, and an amount of $2,118,380 is still outstanding, pending certification of those claims.

12. Budget item 2, Civilian personnel costs, indicates savings of $441,900, attributed to vacancies during the period, and the fact that some vacant local posts were temporarily filled at lower levels. The Committee notes that those savings were partially offset by an over-expenditure of $42,500 under overtime. The Committee inquired into the management policy applied. When overtime occurs, the policy is to give compensatory time off so as to keep related costs as low as possible. However, at times justified under exigency of service, the matter is referred to Headquarters for cash payment. As indicated in annex II, paragraph 7, of the report, the overtime in question was related to the movement of UNDOF's headquarters and its civilian component to Camp Faouar in the first half of 1994.

13. The Committee notes the savings of $106,200 under maintenance supplies and construction/prefabricated buildings due to the cancellation of several construction and renovation projects. Upon inquiry, the Committee was informed that delays in the procurement process had led to the cancellation of those projects. The Committee also notes that savings under data-processing equipment and generators, totalling $77,900, were realized because of delays in processing requisitions prior to the end of the mandate. The Committee notes, however, that authority for the period was given before the beginning of December 1995 and cannot understand, therefore, how the procurement process could not have been initiated before the end of the mandate period.

14. The Committee inquired about the findings regarding allegations of smuggling and interference with the decision-making process of the local committee on contracts, reported by the Office of Internal Oversight Services (A/51/432, annex), and referred to in the previous report of the Committee (A/51/684). In addition to the corrective steps indicated in paragraph 10 of its report, the Committee was informed that the composition of the local

committee on contracts had been altered to exclude the Chief Administrative Officer from its deliberations. The Committee was also informed that UNDOF had carried out its own investigation and found no evidence of smuggling.

15. Paragraph 8 of the report (A/51/405/Add.1) indicates that the action to be taken by the General Assembly, at its fifty-first session, in connection with the financing of UNDOF is a decision to credit Member States their respective shares in the unencumbered balance of $1,129,300 gross ($1,066,700 net) for the period from 1 December 1995 to 30 June 1996. The Committee recommends acceptance of this proposal.

Proposed budget for the period from 1 July 1997 to 30 June 1998

16. In its resolution 50/20 B of 7 June 1996, the General Assembly appropriated $32,254,900 gross ($31,342,900 net) for the maintenance of the Force for the period from 1 July 1996 to 30 June 1997, inclusive of $760,900 for the support account for peacekeeping operations, to be assessed at the monthly rate of $2,687,908 gross ($2,611,908 net), subject to the extension of the mandate of UNDOF by the Security Council beyond 31 May 1996.

17. The cost estimates submitted by the Secretary-General in his report (A/51/405/Add.2) amount to $32,368,000 gross ($31,466,000 net) for the period from 1 July 1997 to 30 June 1998. As indicated in paragraph 27 of the report, this estimate reflects an increase of $874,000 gross, or 2.7 per cent, when compared to the previous 12-month period. This is due to requirements for the leasing of contingent-owned equipment under the new programme for reimbursement to troop-contributing Governments, the replacement of vehicles, communications equipment and data-processing equipment and under third-party vehicle liability insurance. On a monthly basis, the assessment of $2,697,333 gross ($2,622,166 net) is $9,425 gross ($10,258 net) higher than the monthly assessment for the previous period.

18. Of the total cost estimates contained in the report, 59 per cent are based on standard costs and ratios, while the remaining 41 per cent cover mission-specific requirements; non-recurrent costs amount to $2,517,000 gross, while recurrent costs amount to $29,851,000 gross.

19. Paragraphs 16 and 17 of the report (A/51/405/Add.2) indicate that no voluntary contributions have been received for the period under review, but that the Government of Switzerland makes available an air ambulance service for the repatriation, as required, of personnel wounded or taken ill in the performance of their duties in UNDOF. From January to December 1996 the service was not required. Furthermore, a trust fund, to provide additional support to the activities of UNDOF, has been established since February 1996, and the Government of Japan has provided an amount totalling $221,341. The Committee was informed, upon inquiry, that this amount constitutes an additional unbudgeted contribution intended to provide logistic and administrative support to the Japanese contingent. The Committee also sought further information regarding the obligations being met by the Government of the Syrian Arab Republic, and was informed that there is no status-of-forces agreement in existence at UNDOF yet. Through an exchange of notes, the United Nations was informed that UNDOF would be treated in accordance with the 1946 Convention on

the Privileges and Immunities of the United Nations. The UNDOF headquarters premises at Camp Faouar and Camp Ziouani, as well as other land utilized for UNDOF positions, are however, provided at no cost to UNDOF.

20. Paragraph 20 of the Secretary-General's report indicates that the audited financial statement for the period from 1 December 1993 to 30 November 1994, as at 31 December 1995, shows a surplus balance of $2,358,000, including savings on prior unliquidated obligations of $1,087,000. With regard to the latter, the Committee reiterates its comments on the need to refine and review the treatment of obligations (see para.9 above).

21. The Committee also reiterates its comments made in an earlier report on UNDOF (A/50/694/Add.1) on the need to clarify the elements used in the calculation of the ratios of mission-specific requirements and variations of items, and fully explain wide variations in expenditures.

22. The Committee questioned the figures under current inventory in annex II.B to the Secretary-General's report (A/51/405/Add.2), which show wide variations in many cases when compared to those included in the previous report on the financing of UNDOF (A/50/386/Add.1). Certain items under current inventory were not listed in the last report. It was not indicated if they had been obtained from other missions or if the replacement of certain items that had been budgeted for had taken place. In this regard, the Committee recalls its comments and observations on the need to develop effective methods for the monitoring of assets (A/50/694/Add.1, para. 11). The Committee was informed at that time that software packages were being developed for that purpose. The Committee is also of the view that the replacement policy should be articulated in a clearer fashion.

23. The Committee finds little evidence of progress in the introduction of new technology for budget preparation, reporting on budget implementation and inventory management with regard to UNDOF or UNIFIL. Neither does it find the reasons given by the Secretariat for the delays very convincing. The Committee was informed of problems related to the introduction of IMIS and its interfacing with the SUN system and PROGEN software packages, which complicates the data entry, review and reporting process. At the same time, the Committee was informed that the SUN system has not yet been introduced in UNDOF because of the need to upgrade existing data-processing machines. The Committee reiterates once again that the introduction of workable technological support must be given full attention by the Secretariat. The Committee was also informed that UNDOF and UNIFIL will be the first missions to experiment with IMIS.

24. The Committee took note of the comments and observations made in the Secretary-General's reports on the financing of UNDOF (A/51/405/Add.2, para. 30) and UNIFIL (A/51/535/Add.2, para. 31), to the effect that it is impossible to put forward any proposals at this stage, bearing in mind the mandates approved by the Security Council in respect of the United Nations Truce Supervision Organization, UNDOF and UNIFIL, which are still in force and have not been revised. The Committee points out that it does not, and has not ever, questioned the mandates of any of these missions. It does believe that budget transparency requires information to be available on the full cost of every activity. In this connection, the figures given in paragraphs 9 and 20 of

document A/50/684/Add.1 should be updated as follows for 1997 only: 77 military observers in UNDOF at a cost of $9,526,000 gross; 57 military observers in UNIFIL at a cost of $6,289,900 gross.

25. Budget item 1, Military personnel costs, provides for requirements estimated at a total of $17,716,000 (see A/51/405/Add.2). An amount of $300,000 is indicated for death and disability compensation, calculated on the basis of past experience. This budget item also includes an amount of $421,000 for contingent-owned equipment. As indicated in paragraph 2 of annex II.C to the report, this amount includes provision for the wet lease cost of 22 military-pattern vehicles ($368,000) to be leased by the United Nations during the budget period under examination according to the new procedure for determining reimbursement for contingent-owned equipment. The cost of direct purchase of such matériel, if the contingent-owned equipment programme were not effected, would be $2.5 million. The provision for such equipment also includes $52,500 for partial payment of the cost of the equipment under the old system of reimbursement.

26. A provision of $5,586,000 is included for civilian personnel costs in relation to a civilian establishment of 120 (36 international and 84 local staff). Upon inquiry, the Committee was informed that, as at February 1997, the 5 authorized Professional posts were encumbered, 3 of the 5 authorized General Service posts were encumbered, all 26 authorized Field Service posts were encumbered, and all the 84 authorized local staff were on board.

27. The Committee notes a provision for $3,526,000 under budget line 5, Transport operations, of which $1,352,000 is for the purchase of vehicles. The Committee was informed that 35 vehicles had exceeded their useful life. Upon inquiry, the Committee was also informed that constant use related to operational activities of the Force, coupled with the extensive distances over rough mountainous roads, have resulted in vehicles registering well above the standard replacement criteria - these being 5 years or 120,000 km for civilian-pattern vehicles, jeeps, light trucks and minibuses; 8 years or 135,000 km for ambulances, medium or heavy buses, and trucks up to 4 tons; 10 years or 250,000 km for heavy buses and trucks, and truck tractors over 4 tons.

28. The Committee also notes a provision of $152,000 for vehicle insurance. Annex II.A to the Secretary-General's report indicates a sharp increase in insurance premiums when compared to the previous budget submission: from $196 to $425 for civilian-pattern vehicles, and from $250 to $286 for military-pattern vehicles. The Committee was informed that the increase was related not only to the fact that the mission area was considered to be a high risk area but also to the high number of incidents in the recent past in the mission. The Committee was further informed of actions taken to control the situation, such as defensive driving courses, a reduction of all driving by 10 per cent, a mileage restriction, a limited use of vehicles, the use of vans with several passengers and an experienced driver for non-official travel. The Committee welcomes these initiatives.

29. Budget item 3, Premises/accommodation, provides for $1,293,000, including $443,000 for construction/prefabricated buildings. The Committee sought further clarification with regard to the construction projects listed in annex II.B to

the report, totalling $360,200. The Committee notes that some of these projects had not been carried out during the previous period, as indicated in paragraph 13 above.

30. Paragraph 32 of the report (A/51/405/Add.2) outlines the actions to be taken by the General Assembly at its fifty-first session in connection with the financing of UNDOF. The Advisory Committee recommends approval of the Secretary-General's proposal that the General Assembly appropriate the amount of $32,368,000 gross ($31,466,000 net) for the period beginning on 1 July 1997, to be assessed at the monthly rate of $2,697,333 gross ($2,622,166 net), subject to the extension of the mandate of the Force by the Security Council. The Committee also recommends approval of a decision to credit Member States their respective shares in the surplus balance of $2,358,000 for the period from 1 December 1993 to 30 November 1994.

II. UNITED NATIONS INTERIM FORCE IN LEBANON

31. The United Nations Interim Force in Lebanon was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for operations in southern Lebanon. The Mission's mandate has been extended several times by the Security Council, most recently in its resolution 1095 (1997) of 28 January 1997, by which the Council extended the mandate of the Force to 31 July 1997.

32. Paragraphs 12 and 13 of the Secretary-General's report (A/51/535/Add.2) indicate that resources made available to the Force since inception until 30 June 1997 amount to $2,755.2 million gross. Expenditures are estimated at $2,739.1 million gross for the same period. Amounts totalling $2,645.2 million have been assessed on Member States in respect of UNIFIL from inception until 31 January 1997; and contributions received as at 31 January 1997 totalled $2,471.0 million. The outstanding balance of $174.2 million includes $19.6 million transferred to a special account in accordance with General Assembly resolution 36/116 A of 10 December 1981.

33. As is the case with UNDOF, troop contributors have been reimbursed to 32 March 1996, but the Advisory Committee was informed that payments would be brought up to 30 June 1996 by a payment in March 1997. As indicated in paragraph 22 of the Secretary-General's report, the amount due for troop costs for the period ending on 31 January 1997 is estimated at $52.0 million.

Performance report for the period from 1 February to 30 June 1996

34. The report of the Secretary-General (A/51/535/Add.1) contains information on the financial performance of UNIFIL for the period from 1 February to 30 June 1996 and outlines the action to be taken by the General Assembly at its fifty-first session in connection with the financing of the Force. The report, however, suffers from the deficiencies described in paragraph 7 above. The explanations or justifications are either insufficient or inconsistent. The Committee reiterates its request for the standardization of performance reports, which should contain comprehensive information, as well as full justification and explanations for the variations from approved budget resources.

35. Paragraph 3 of the Secretary-General's report indicates that total resources made available to UNIFIL for the period from 1 February to 30 June 1996 amount to $53,874,000 gross ($52,448,000 net). Expenditures amount to $51,010,500 gross ($49,768,300 net), hence an unencumbered balance of $2,863,500. This balance resulted primarily from lower than estimated rotation costs in respect of military personnel; the transfer of vehicles, equipment and generators from other missions; and the high vacancy rate resulting from the slow replacement of international staff reassigned to other peacekeeping missions - 11 per cent at the Professional level and 10 per cent at the General Service and Field Service levels.

36. Budget item 1, Military personnel costs, shows savings of $790,900 with regard to the emplacement, rotation and repatriation of troops. The Committee was informed, upon inquiry, that this resulted from lower rates obtained from the contracting companies or airlines than previously estimated. With regard to death and disability compensation, the Committee was informed that three casualties had been reported during the period, but that no claims had been received from the Governments concerned. The original obligation of $417,000 is therefore retained for the time being.

37. The Committee notes the relatively large amount of unliquidated obligations for the period shown in annex I to the report (A/51/535/Add.1), totalling $33,855,800, or 68 per cent of the expenditures indicated above. During its consideration of the report, however, the Committee was informed that those obligations had been reduced to $18.2 million - $15 million related to military costs, $2 million to transport operations and $1.2 to other expenditures. The Committee tried to obtain further clarification on the reasons for the delays in processing and reporting those obligations, since it had been informed that the data included in the report dated to the end of September 1996, although the report itself is dated 3 February 1997. In this regard, the Committee was informed of the laborious and cumbersome procedure for the handling of mission accounts, and all the steps from entry of data, submission, review and reporting. As indicated in paragraph 23 above, in spite of the introduction of sophisticated software the delays in handling accounts are still a matter of very serious concern.

38. The Committee notes that section III and annex III of the Secretary-General's report contain the report and information regarding the damages resulting from the incident at Qana on 18 April 1996 requested by the General Assembly in its resolution 50/89 B. Total costs, of approximately $1,773,618, exclude about $200,000 of hospital costs for three soldiers. Annex III to the report contains the breakdown of the estimated costs directly attributable to the incident, corresponding to $893,319, including the amount of $131,750 utilized for immediate repairs (see A/51/535/Add.1, para. 10). The relocation of the Fijian battalion headquarters will be carried out between July and December 1997, in three phases, at an additional estimated cost of $880,300. The Committee was informed that the relocation of the Fijian battalion resulted from the incident; otherwise, there had been no plans to move. The Committee was further informed that, as at 15 March 1997, besides the $131,750 recorded in the performance report under review, requirements of $884,524 are expected to be recorded during the current budget period ($363,866 corresponding to the costs indicated in paragraph 12 of the Secretary-General's report and $520,524

corresponding to phases I and II of the relocation of the Fijian battalion). Requirements of $285,800 are included in the proposed budget for the period from 1 July 1997 to 30 June 1998, corresponding to phase III (see table).

Expenditures and budgetary requirements recorded, as at 15 March 1997, in relation to the Qana incident of 18 April 1996 described in the report of the Secretary-General (A/51/535/Add.1)

	Costs related to immediate repairs and directly attributable to the incident of 18 April 1996, indicated in annex III to the report	Costs related to the relocation of the Fijian Battalion headquarters (phases I, II and III), indicated in paragraph 13 of the report
	(United States dollars)	
Expenditure charged under the performance report period (1 February to 30 June 1996)	131 750	
Estimated expenditure charged against the current financial period (1 July 1996 to 30 June 1997)	363 866	520 524
Proposed requirement in cost estimates for the period from 1 July 1997 to 30 June 1998		285 800
Amount remaining to be allocated between the current period and cost estimates	397 702	73 976
Estimated totals	893 318	880 300

39. The Committee also notes an overrun of $152,600 for maintenance supplies, under budget line 3, Premises/accommodation. As indicated in paragraph 28 of annex II to the Secretary-General's report, this resulted from the required repair of ablution and accommodation units which were received from Mombasa in unsuitable condition. The Committee stresses the need to verify the condition of vehicles and equipment prior to their shipment to another mission so as to avoid unnecessary over-expenditures and criticism.

40. Paragraph 15 of the Secretary-General's report indicates that the action to be taken by the General Assembly at its fifty-first session in connection with the financing of UNIFIL is a decision to credit Member States their respective shares in the unencumbered balance of $2,863,500 gross ($2,679,700 net) for the

period from 1 February to 30 June 1996. The Committee recommends acceptance of this proposal.

Proposed budget for the period from 1 July 1997 to 30 June 1998

41. The General Assembly, in its resolution 50/89 B of 7 June 1996, appropriated $125,722,800 gross ($122,665,800 net) for the maintenance of the Force for the period from 1 July 1996 to 30 June 1997, inclusive of $2,965,800 for the support account for peacekeeping operations, to be assessed at a monthly rate of $10,476,900 gross ($10,222,150 net), subject to the decision of the Security Council to extend the mandate of the Force beyond 31 July 1996.

42. The cost estimates submitted by the Secretary-General (A/51/535/Add.2) for the period from 1 July 1997 to 30 June 1998 amount to $122,166,000 gross ($118,031,000 net). This estimate reflects a decrease of $591,000 gross or 0.5 per cent from the estimate for the previous 12-month period, due to lower costs for rotation of military contingents resulting from lower rates obtained for commercial and government aircraft. Other savings are attributed to lower requirements under vehicle spare parts, repairs and maintenance since there will be no need to refurbish armoured personnel carriers during this period.

43. Of the total cost estimates contained in the Secretary-General's report 67 per cent are based on standard costs and ratios, while the remaining 33 per cent cover mission-specific requirements; non-recurrent costs amount to $6,138,000 gross, while recurrent costs amount to $116,028,000 gross.

44. No voluntary contribution has been received for the period or trust fund established. The Government of Switzerland, as in the case of UNDOF, provides air ambulance service for the repatriation of personnel wounded or taken ill, as required (see para. 19 above).

45. Paragraph 18 of the Secretary-General's report indicates that the audited financial statement for the period from 1 December 1993 to 30 November 1994, as at 31 December 1995, shows a surplus balance of $10,657,000. As in the case of UNDOF, this balance includes a very large amount of unliquidated obligations, totalling $8,401,000. In this regard, the Committee reiterates its comments and observations made in paragraph 9 above. Furthermore, the Committee notes that the projected operating deficit for UNIFIL is $234.7 million net, mainly attributable to the high level of outstanding contributions which, as mentioned in paragraph 32 above, total $174.2 million.

46. The cost estimates contained in the Secretary-General's report provide for 4,513 military personnel, of which 995 provide logistic support, to be supported by a civilian staff component of 487 (143 Professional and 344 local). The latter component includes an increase of 151 local posts to be converted from general temporary assistance. Upon inquiry, the Committee was informed that, as at 31 January 1997, 15 of the 18 authorized Professional posts were encumbered, 44 of the 45 authorized General Service posts were encumbered, of the 80 authorized Field Service staff 79 were on board, of the authorized 193 local staff 189 were on board, and of the 151 general temporary assistance posts, 140 were encumbered.

47. The Committee notes that under budget item 2, Civilian personnel costs, the provision for international and local staff decreases, from $20,094,000 in the previous 12-month period to $19,711,000 in the estimates, because of the conversion of the 151 general temporary assistance posts mentioned in paragraph 46 above to local posts at a lower level. The Committee was informed that the operational and security conditions would have made it difficult and more expensive to contract this service otherwise. The Committee recommends, however, that the 140 encumbered general temporary assistance posts, instead of the proposed 151, be converted to established local posts, and that the cost estimates be adjusted accordingly.

48. The Committee notes that no provision is indicated under contingent-owned equipment. The Committee sought further information in this regard and was informed that the introduction of the new arrangements for contingent-owned equipment would not be cost-effective at the moment in this particular mission, since most of the equipment is United Nations-owned, acquired under the previous arrangements, yet fully depreciated and still in use. Moreover, UNIFIL is a long-established mission with appropriate civilian personnel and infrastructure to support contingents. Some of the equipment will however require replacement in the not too distant future; in that context the possibility of using United Nations-owned or contingent-owned equipment will be considered, and in the latter case the new procedures will be followed.

49. A provision of $9,078,000 is indicated under transport operations. The Committee inquired about the decrease from $4,788,000, during the previous period, to $3,013,000 in the current cost estimates under spare parts, repairs and maintenance, and was informed that it was mostly due to the fact that there were no requirements for the refurbishment of armoured personnel carriers during this period. The Committee also notes that annex II.A, under this item, indicates annual costs of $1,200 per civilian-pattern vehicle and $5,500 per military-pattern vehicle. The Committee was informed that the provision in the cost estimates was based on the most recent trend in the mission, but that under standard costs the provision would approximate $6 million. The Committee reiterates, however, that cost explanations should be provided when they deviate from standard costs. Both reports examined in relation to UNDOF and UNIFIL lacked supplementary information in this regard.

50. A provision of $2,930,000 is included for the purchase of vehicles under this budget line. The Committee was informed that UNIFIL's fleet of 1,056 vehicles comprises older replacement units from other missions. The 57 new vehicles proposed are to replace items that will exceed their useful life expectancy during the period.

51. The Committee notes an increase from $1,985,000 in the current period to $2,481,000 for petrol, oil and lubricants in the cost estimates under consideration. The Committee was informed that the sharp increases in the prices during the first six months of the current period had led to the higher requirements presented. While consumption of petrol for vehicles had increased because of greater use during recent incidents, and the fact that old vehicles consume more fuel and lubricants, efforts were made to decrease consumption, improve accountability and better identify needs, as well as to replace the old inefficient generators which consume a greater quantity of diesel fuel. With

regard to the sharp increase in vehicle insurance, the observations made in paragraph 28 above apply.

52. Paragraph 35 of the report outlines the action to be taken by the General Assembly at its fifty-first session in connection with the financing of UNIFIL. The Committee, bearing in mind its comments and observations set out above (in particular para. 47), recommends the appropriation of $122,035,000 gross ($117,926,000 net) for the period from 1 July 1997 to 30 June 1998, to be assessed at the monthly rate of $10,169,583 gross ($9,827,166 net), subject to the extension of the mandate of the Force by the Security Council. The Committee also recommends acceptance of the request to suspend the provisions of regulations 4.3, 4.4, 5.2 (b) and 5.2 (d) of the Financial Regulations of the United Nations so that the surplus balance of $10,657,000 for the period from 1 February 1993 to 31 January 1994 may be transferred to the account established pursuant to General Assembly resolution 34/9 E and held in suspense until a further decision on its disposition is taken by the General Assembly.

Notes

[1] See Official Records of the General Assembly, Fifty-first Session, Supplement No. 5 (A/51/5), vol. II, statement XXIV.